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3 April 1952

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MEMORANDUM FOR: Deputy Director/Plans

FROM : Deputy Director Central Intelligence

This is a brief report for you and for [redacted] with regard to today's luncheon meeting of the members of the FSB.

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1. I was not the only one to arrive at the meeting with the Washington Post article entitled, "U. S. Shifting to Production of Germ Arms." Deputy Secretary Foster is keenly alive to this problem and is instituting remedial measures. He will look into the question regarding the opening of Camp Detrick to the public.

2. There was considerable discussion of the action to be taken by the FSB with regard to next year's appropriation for the escapee program, and President Allen circulated a position memorandum on the subject dated 3 April 1952, of which a copy is attached. Secretary Foster took a strong position against diverting ASA funds to relief activities under the Kersten Amendment even if the amendment was reenacted. He was advised that Mr. Harriman was equally strongly opposed to including in the 1952 ASA Act a separate article covering refugees as Defense and CIA had advocated. It was generally agreed that at the moment, since the matter was under consideration by the Secretary of Defense and Mr. Harriman and very possibly by the President, there was no action which FSB could take at this moment. The possibility of separate legislation apart from the ASA action or the Ceilier Immigration bill was considered, and it was felt that this might be resorted to later if the other alternative courses of action were ruled out.

3. There was a general discussion of the Formosa situation in connection with the JCS action of the preceding day which had referred the JCS paper to State and Defense, reserving to CIA the right to participate therein. I briefly advised the Board of our problem with respect to the financial outlays incident to preparing to carry on the missions entrusted to us in the guerrilla warfare field and suggested that if there was to be any change in policy it be desired to be heard on the matter and receive as promptly as possible full policy guidance. In this connection I cited the expenditures involved and other financial commitments that should be entered into shortly.

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4. I advised the Board of the latest developments with respect to the Gray report and briefly outlined the contents of the President's letter to Mr. Gray. I suggested that the three Board members should give early consideration to the recommendations in the Gray report with a view to replying to the inquiry of the President on this subject. It was generally agreed that the Board members would review these recommendations and get together on them at an early meeting.

After the meeting, I had a talk with Mr. Bruce about the scope of the work and functions of PGB.

ALBERT A. HOLMES

Attachment (1)

Memo for DCI fr

[redacted] AD/SC

AWD:leb

Distribution

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1 cc - [redacted] PY

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